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The Agricultural Situation

A Brief Summary of



Economic Conditions

Issued Monthly by the Bureau of Agricultural Economics
United States Department of Agriculture

Subscription price, 25 cents per year; single copy, 5 cents; foreign price, 45 cents; payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington, D. C.

Washington, D. C.

February 1, 1937

Volume 21, No. 2

SOME ITEMS IN THE WINTER SITUATION

Fifty-seven million acres of winter wheat in the ground, a record acreage. A crop of 600 million bushels of winter wheat suggested for next summer on the basis of December 1 condition; but the crop still faces winter hazards.

Wheat stocks of 129 million bushels on farms January 1, the smallest in the 10 years of record.

World wheat situation closely balanced between supply and consumption. Heavy new crop shipments coming from the Argentine; but Europe is buying actively not only to cover deficits but to build up reserves.

December pig report unexpectedly showed a 6-percent larger pig crop this fall than year ago. Combined spring and fall 1936 pig crop 20 percent over 1935. Five million more hogs slaughtered this fall, October-December. Large amount of pork put in storage. Probability of smaller slaughter in early spring and late summer and higher average prices than last summer.

Milk production running about 2 percent above year ago even though number of milk cows is down 2 or 3 percent.

Egg production January 1 was 20 percent above year ago. Large proportion of pullets in flocks. Low-priced poultry and high feed prices worrying poultrymen.

Very tight situation as to supply of feed grains. Except for 1934, smallest supply in 42 years. Hay supplies larger than 2 years ago.

More than half the corn had been used up by January 1. Stocks on farms that date 810 million bushels against 1,400,000,000 year ago and average. Following 1934 drought, stocks January 1, 1935, were 836 million.

Twenty-three percent fewer cattle on feed in Corn Belt January 1 than year ago but 10 percent more in the West. Fat cattle will be scarce; total 1937 slaughter will be about average though below the 1936 record high.

About 4 percent fewer lambs on feed for market January 1. The decrease is in the western Corn Belt in late marketing areas. Probability of advancing lamb prices in March or April.

Cotton industry very active in this country. Government releasing some of its 3 million-bale stock between February 1 and April 1.

Pacific Coast citrus crop hit by disastrous freeze.

SOCIAL FACTORS ASSOCIATED WITH FARM TENANCY

The farm population of the United States is steadily losing the ownership of the land it operates. Thus, the ideal which practically all generations of American farmers have held is apparently becoming less and less possible of attainment.

LANDLESS FARMERS

For the past 55 years during which we have had statistics on land tenure, there has been a steady decrease in the proportion of operating owners and an accompanying increase in the proportion of tenants and laborers.

Today the actual equity owned by operating farmers, when tenancy and mortgaged indebtedness are combined, is less than 50 percent of the value of the farms in 29 of the 48 States of the Nation.

Illustrations of the way in which these two factors (outright tenancy and farm mortgage indebtedness) combine to represent the extent of landlessness, in terms of ownership, as shown by the 1930 census are: (1) In Mississippi practically all of the nonownership was represented by tenant and cropper farms, and (2) in Iowa only 47 percent was represented by outright tenancy and the remaining 23 percent by farm-mortgage debt.

When mortgage indebtedness, representing nonownership of farms, is combined with farm tenancy, the fact is revealed that it is not in the Cotton Belt that the high rates of nonownership prevail. In South Dakota, in 1930, 71.7 percent, in Iowa 70.8 percent, and in Illinois 70.7 percent of the farm real estate did not belong to the farm operators. As a matter of fact, there were only two States west of the Ohio River and east of the Rocky Mountains in which the farm operators as a whole owned as much as 50 percent of the value of the farms which they tilled.

The 1935 census data reveal that tenancy has steadily increased in a number of these States; in Iowa, for instance, from 47 to 59 percent; in South Dakota, from 45 to 49 percent; and in Illinois, from 43 to 44 percent. Many of the States in which the major portion of the land is farmed by owners are States in which the large percentage of the farms were homesteaded one or two generations ago.

It has quite generally been assumed that the so-called agricultural ladder leading from farm laborer to tenancy to ownership represented the normal procedure in American farm life. Today, more than one-fourth of all persons gainfully employed in agriculture are paid farm laborers; more than 42 percent of the farm operators are tenants, and less than 50 percent of the real estate equities in farms are owned by the families who till them.

STANDARD OF LIVING

It is when we apply the standard-of-living yardstick to heavily tenanted areas or to a goodly number of tenant families that the influence of tenancy upon the lives and communities of farm people stands clearly revealed.

A detailed study of the best data available makes it apparent that expenditures for food, housing, clothing, and health constitute for tenants 83.1 percent and for owners 79 percent of their total budgets. Tenant families spend approximately \$230 per year less for the purchase of these goods and services than owner families do.

The remainder of the budgets is the amount left for all other expenditures, in the case of the tenant families 16.9 percent, or \$126, and in the case of the owner families 21 percent, or \$220. Of these residuals, after expenditure for physical necessities, the tenants spend \$33.10 and the owners \$44.50 per year, per family, for life and health insurance. This, as in the case of the physical necessities, does not show an outstanding difference between the two tenure groups.

When, however, it comes to advancement goods and services, i. e., expenditures for religion and charity, education, reading materials, recreation and art, and purely personal goods and services, the owner families spent an average of \$172.40 per year and the tenant families only \$91.40.

There are differences between regions due to different types of farming and to differences in climate and in customs. In the Middle West, for example, larger amounts and greater percentages of expenditures for both tenure groups go for housing and health and a smaller amount for food. The higher amount spent for food by southern than by midwestern tenants is due to the cash-crop, cropper type of tenancy in the South which leads to relatively little home production of food.

The fact that midwestern tenants come nearer approximating owners in their expenditures for clothing is probably to be explained by the less sharply marked social status of tenants in that region than is the case in the South. Tenants, therefore, dress about as owners do.

Data thus far presented are only for white tenants and owners and for the economically better advantaged tenant groups. Data from typical cross sections of tenant areas reveal far greater differences in the standards of living of owners and tenants than those thus far shown.

In a North Carolina study of 594 farm families containing 2,759 persons, 300 of them tenant and 294 owner families, it was found that the average gross income of owner families was \$2,505 and that of tenants only \$895; that owner families supplemented their real income by \$708 worth of home produced food and fuel while tenants added only \$240 from these sources. Thus the real income plus home produced supplies of the owner families was about three times that of tenants.

In the distribution of expenditures the tenant families were compelled to spend most of their income for physical necessities, having left only 12.7 percent, or \$57 per year per family for all advancement and personal goods and services, whereas the owner families expended 15.2 percent of their larger total income or \$185 for these same items.¹

A recent study of 1,362 farm families, of which 856 were tenants and croppers, shows that, "the total family expenditures run lower, on the average, for tenants and croppers than for full owners and part owners, with croppers ranking lower than any other tenure group", and as a consequence the consumption of cultural goods and services was generally sacrificed in the lower tenancy families.²

Data of this same import are revealed in every comparative study made in the southern tenant belt.

Studies in Kansas, Iowa, and Ohio, covering more than a thousand farm families, reveal that the tenants have less money for family

¹ Anderson, W. A. *Farm Family Living Among White Owner and Tenant Operators in Wake County (N. C.)*. Bul. No. 269. N. C. Agri. Exp. Sta., Raleigh, N. C., 1929.

² Duncan, O. D. and Sanders, J. T. *A study of Certain Economic Factors in Relation to Social Life Among Oklahoma Cotton Farmers, Oklahoma*. Agri. Exp. Sta. Bul. No. 211, Stillwater, Okla., 1933.

living, have to expend a larger percentage of the total family budget for physical necessities, and consequently have a smaller percentage left for advancement and cultural goods and services, live in smaller and older houses, and participate less financially and personally in institutional activities.³

A more recent study of farm family budgets in Ohio showed owners receiving higher cash incomes, producing more supplies for home consumption, and expending more for education.⁴

A study of rural housing in Iowa shows that "owners have slightly smaller families and larger houses than nonowners, and they more frequently than nonowners live in houses under 10 years of age and in those built of brick, stone or concrete"; that "owners' homes have a slightly higher average number of rooms; and much more frequently than nonowners have bathroom, a washroom for help, and a basement"; and that "owner houses rate about 50 percent above non-owner in labor-saving conveniences, such as piped water, sink, and electric power, which are a structural part of the house."⁵

TENANCY DOES NOT IMPROVE SOCIAL INSTITUTIONS

The following statements summarize conclusions drawn from data presented above and elsewhere:

The material standard of living of farm tenant families is lower than that of owner-operator families in the same farming areas throughout the Nation.

A larger percentage of total consumption expenditures of tenants must go annually for food, clothing, and shelter than is the case for owner-operator expenditures. Consequently, a smaller percentage of consumption expenditures of tenant than owner families can be and are expended for health, recreation, education, religion, and charity, and for other cultural goods and services.

All of these contrasts become more pronounced in regions where farm tenancy has been prevalent for a long period and where the cropper type of tenancy is prevalent. Tenants support volunteer social institutions with not only less money but also with less personal participation—membership and attendance—than do owners.

TENANTS MOVE MORE FREQUENTLY THAN OWNERS

At the beginning of 1935 one out of every three tenant families had been on its farm less than 1 year. Among the share croppers of the Southern States the proportion was even greater; one-half of the white and two-fifths of the colored share croppers had been on their farms less than 1 year.

Among owners, however, only one in 16 had been on his farm less than 1 year. Owners had moved less than tenants in the Northern as well as in the Southern States, among the colored as well as among white farm operators.

Similarly, for the entire country, 21 out of every 35 farm owners had been on their farms 10 years or more, but among tenants the proportion was only 5 out of every 35. Only 1 of every 10 colored share croppers and 1 out of every 20 white share croppers had been on his farm 10 years or more.

³ Kirkpatrick, E. L. *The Farmer's Standard of Living*. The Century Co., N. Y., 1929.

⁴ Lively, C. E. *Family Living Expenditures on Ohio Farms*. Ohio Agri. Exp. Sta. Bul. 468, Wooster, Ohio, 1930.

⁵ Reid, Margaret G. *Status of Farm Housing in Iowa*. Ia. Agri. Exp. Sta. Research Bul. No. 174, Ames, Iowa, 1935.

This condition is apparently not associated with depression and drought alone, but is related to the nature of the system. The figures for 1930 are almost identical with those given for 1935, and those for 1925 agree with them in all essentials. Even in 1910 owners had been on their farms three to four times as many years as tenants, on the average.

THE MOVING ABOUT MAKES FOR UNSTABLE INSTITUTIONS

A large part of the migration—as much as 90 percent in some cases—is within the county of residence. But where means of communication and transportation are as poor as they are among share croppers, even short distance moves are disruptive of social relations. The intimate social contacts of neighborhood, school, and church ordinarily occur within a very small radius, and they do not survive much migration of the families or individuals concerned.

The other factors associated with frequent migrations—direct financial loss, and the discouragement to improvements in land, equipment or housing—occur regardless of the distance moved.

SOCIAL STATUS

The most forbidding social aspect of farm tenancy is the gradual development of inferior status that comes to any segment of a population that lives for a few generations under persistent economic and social handicaps.

From the social point of view, it is the number and percentages of farm families who are tenants which is important, rather than the number or percentage of acres they farm or the portion of the total economic enterprise under their guidance. This is true not only because tenancy jeopardizes every factor which makes for a standard of social efficiency in individual, home, and community life, but because social status—the most important psychological factor in the standard of living or culture of a people—becomes more pronounced as greater numbers become members of the class concerned.

In his study of farm families in Wake County, N. C., Anderson discovered that while increases in the farm incomes of owners were generally absorbed in expenditures for additional land or to liquidate debts on lands already partially owned, tenants rather generally expended increases in income for automobile purchase and operation. He, as Kirkpatrick and others, discovered that daughters in farm homes after they reach the age of 15 until they are married spend more for clothes than their mothers do. Between 15 and 18 years of age the expenditures for clothes exceed those for their mothers by 45 percent, and those between the ages of 19 and 24 spend 75 percent more than their mothers.

These facts, together with those presented on tenant ownership of automobiles in the Middle West, indicate that tenant families strive for social status in the easiest ways at their command to make up for the loss of status which inheres in landlessness.

In each decade a greater percentage of the older age groups is appearing as tenants and a smaller percentage is appearing as owners. In 1910 only 27 percent of all farmers 45 years of age and over in Northern States were tenants, whereas in 1930 approximately 30 percent of this age group were tenants. In these two decades, the percentage of owners in these age groups had increased from 60 percent to approximately 73 percent.

In the Western States, where tenancy has more recently appeared, these trends are not yet apparent. But in the South, even though tenancy had been in existence on a wide enough scale to have pretty much stabilized itself by 1910, 29 percent of all farmers aged 45 and over were tenants, whereas in 1930 tenants in this age group had increased to 35 percent.

In simple terms, these data reveal the fact that wherever and whenever tenancy has developed to any extent and prevailed for any length of time, a greater percentage of farmers move into old age without attaining ownership status.

A further deduction from the best data available indicates that many croppers have lost tenant status and fallen into the status of farm laborer during the depression. The number of croppers decreased between 1930 and 1935 in each of the five States of South Carolina, Georgia, Arkansas, Oklahoma, and Texas. Some of them rose to the status of cash tenants because Government-loan contracts required it, but many others were reduced to wage hands or unemployment. In the five States mentioned, the reduction in the number of croppers in the 5 years were: Texas, 30,300; Georgia, 20,400; Arkansas, 8,600; South Carolina, 2,700; Florida, 2,000; a total of 74,000.

Contrary to the opinion of many, evidence indicates that displaced farm tenants and croppers do not generally drift into urban occupations but remain in agriculture as wage hands, many of them as migratory laborers.

CARL C. TAYLOR and CONRAD TAEUBER.

GROWING DEMAND FOR FARM LABOR

On January 1, 1937, average farm wages in the United States were \$20.68 per month with board, \$31.37 per month without board, \$1.10 per day with board, and \$1.51 per day without board.

The index of farm wages was 103 (percent of pre-war average, 1910 to 1914). These rates are the highest they have been since 1931 at this time of year. The rise appears due in part to increased demand for labor by farmers, made possible by improved farm income, to increased competition for labor by both agriculture and other industries, and in a few cases to pressure by labor for higher wage rates.

The present farm wage situation is roughly indicated by average rates for adult labor for October 1, 1936, and January 1, 1937, as follows:

Geographic division	Oct. 1, 1936				Jan. 1, 1937			
	Per month		Per day		Per month		Per day	
	With board	With-out board	With board	With-out board	With board	With-out board	With board	With-out board
	Dol-lars	Dol-lars	Dol-lars	Dol-lars	Dol-lars	Dol-lars	Dol-lars	Dol-lars
New England.....	31.05	52.69	1.73	2.52	29.56	51.05	1.67	2.42
Middle Atlantic.....	27.37	43.06	1.63	2.23	25.28	41.34	1.52	2.12
East North Central...	27.09	37.70	1.47	1.98	24.24	35.79	1.38	1.86
West North Central...	25.20	34.94	1.34	1.82	19.77	30.72	1.13	1.62
South Atlantic.....	15.64	23.07	.84	1.10	15.85	23.33	.82	1.09
East South Central...	14.83	21.89	.76	1.01	15.12	21.98	.76	1.00
West South Central...	18.38	26.53	.95	1.23	17.66	25.82	.88	1.17
Mountain.....	34.47	49.38	1.70	2.19	31.01	45.77	1.50	2.03
Pacific.....	41.52	62.84	1.89	2.65	37.23	59.45	1.75	2.57
United States..	22.51	32.84	1.18	1.59	20.68	31.37	1.10	1.51

Lowest average rates were reported from Georgia and South Carolina; highest averages came from southern New England, California, and Utah.

SOME IMPROVEMENT SINCE 1933

After the beginning of the depression in 1929 the demand for farm labor fell rapidly and employment and wages declined. The depression was as disastrous to farm laborers as to farmers. Laborers have struggled against this, as have farmers. In some places they have shown their distress by action new to agriculture—organization and strikes.

But with the spring of 1933 began a better demand for farm labor, and wage rates have since risen slowly. This has benefited farm laborers, but from their standpoint it has been small and long in coming. Even now, their wage rates are less than half those of 1920.

Farm wage rates in 1933 were less than 75 percent of those of the pre-war period, 1910-14. By October 1936, they had risen to 110 percent of those rates. Rates per month with board illustrate the change: In April 1933, they were \$14.67; in October 1936, they were \$22.51 for the country as a whole.

GROWING DEMAND FOR LABOR

Two factors affecting farm labor are farmers' demands for it, and the competitive demand of other industries for workers. Since April 1933, farmers' demands have grown from three-fifths to five-sixths of normal. Industrial employment indices have increased even more.

In April 1933, farmers reported their labor supply to be one-quarter above normal. By October 1936, it had dropped under normal, but still slightly exceeded the demand. There is prospect of a still smaller labor supply for farms. Increase in industrial employment usually means a corresponding decrease in farm labor supply.

Farm wages have risen a-third, but are still below the level of living costs. Since July 1934, prices of farm products have been higher than wages. This is gradually enabling farmers to pay the somewhat higher wages needed by laborers to meet increased costs of living, and to combat increased industrial competition for labor.

The outlook for 1937 is that industrial demand for labor will increase; also, that farmers will need more labor. In such a situation farmers may expect that wages will rise somewhat higher than last year.

JOSIAH C. FOLSOM.

STATE MORTGAGE-RELIEF LEGISLATION

JANUARY 1, 1930-APRIL 20, 1936¹

The severity of farm-mortgage difficulties during the depression is reflected in the mortgage-relief laws enacted by many States. These laws, in the main, constitute temporary changes in foreclosure procedure designed to afford debtors additional protection from pressure by their creditors.

Although both the stage in the normal foreclosure procedure at which the relief is given and the precise form of the relief differ widely among the several States which have enacted laws of this character, there is sufficient similarity in the laws of the several States to permit the grouping of these laws into a few major categories.

MORATORIUM LEGISLATION IN 23 STATES

The most common form of relief is that which may be designated as strictly moratorium legislation. Legislation of this character usually provides definite legal channels through which a debtor may secure a postponement of foreclosure action.

A survey of the mortgage-relief laws enacted by the several States during the period from January 1, 1930 through April 20, 1936, reveals that 23 States legalized moratoria of one form or another (excluding States in which such laws were subsequently held invalid by the courts). These States are Arizona, California, Delaware, Idaho, Illinois, Iowa, Louisiana, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Vermont, and Wisconsin.

The procedure by which the debtor obtains emergency relief in most of the States with moratorium laws is by filing a petition with the appropriate court asking for a postponement of foreclosure decree.

In certain States, however, the postponement of foreclosure actions is effected indirectly through other channels. In Arkansas, for example, the courts were instructed to hear cases involving foreclosures only during the first 3 days in which the courts were in session. In Illinois the State Superintendent of Insurance, with the approval of the Governor, was given power to stay foreclosure proceedings on mortgages held by insurance companies which were secured by farms or homesteads. In Oregon the legislature, by a joint resolution,

¹ This is a brief summary of a more comprehensive digest of these laws prepared jointly by the writer and John W. Barrett, Division of Economic Research, Bureau of Foreign and Domestic Commerce, and included as appendix B of "Long-Term Debts of the United States", Domestic Commerce Series 96, Bureau of Foreign and Domestic Commerce, Department of Commerce.

instructed the courts of equity not to decree foreclosure where the mortgagor was making a bona fide effort to pay.

Still other variations diverge slightly from the usual procedure, but the purpose of such laws is clearly to give mortgagors additional time to meet their obligations.

In most of the States the moratorium applies to all forms of real estate obligations whether secured by farm or urban real estate. In several of the States, however, mortgages held by United States agencies are excluded, and in Illinois, as mentioned above, the law applies only to mortgages on farms and homesteads which are held by life insurance companies.

In a few States the granting of a postponement of foreclosure action was made conditional upon an application having been made for a loan from a United States agency. In Delaware, the law (expired Mar. 1, 1935) provided that execution processes against real estate might be stayed for a period of 6 months, provided an application had been made to the Home Owner's Loan Corporation for the refinancing of the mortgage. In Mississippi relief could be granted only if the mortgagor could prove inability to refinance through a United States agency or that an application to such an agency had been filed and was pending.

MANY OF THESE LAWS STILL IN EFFECT

A majority of the moratorium laws were enacted originally in 1933 or early in 1934, although many of these laws were later amended to extend the expiration dates. Although a few of these laws expired in 1935 and 1936 the majority do not expire until 1937 or 1938 or even later. The expiration dates, however, usually set only the maximum period during which a postponement of foreclosure action may be granted, as the courts usually have power to postpone foreclosure for a period up to the date of the expiration of the law.

MINIMUM SELLING PRICE FOR FORECLOSED PROPERTIES

A second type of legislation operating to the advantage of the debtor includes those laws which directly or indirectly give the courts power to set the minimum price at which a foreclosed property may be sold. In Michigan, for example, the court may fix a minimum price below which it will not confirm a foreclosure sale.

In certain other States the courts are given broad discretionary powers to refuse to confirm foreclosure sales where the sale price is considered too low; and if the sale is not confirmed the court may order a resale. Arkansas, Kansas, Michigan, North Carolina, and Wisconsin enacted legislation during this period which can be classified under this general heading.

The wording of the laws of certain other States is rather vague with respect to the scope of the power of the courts in this respect, and for this reason the laws of these States have not been classified under this heading. A further analysis of the actual operation of these laws would be required to determine whether the courts are given power indirectly to fix the price at which foreclosed real estate may be sold.

RELIEF SUBSEQUENT TO FORECLOSURE SALE

The two types of debtor-relief legislation discussed above operate to postpone foreclosure decrees and foreclosure sales, and thus afford

relief prior to an actual sale of the foreclosed property. Two additional types of debtor-relief legislation enacted during this period operate to furnish relief after a foreclosure sale has occurred; namely, (1) legislation authorizing the extension of the redemption period for foreclosed properties, and (2) legislation outlawing or tempering deficiency judgments.

Most of the laws authorizing the courts to extend the redemption period for foreclosed properties set definite expiration dates. As many of these laws permit the foreclosed mortgagor to reacquire the property at any time during the life of the statute by tendering the bid-in price plus any interest accrued and any expenses incidental to the sale, they tend also to discourage the bidding in of properties at foreclosure sale at very low prices. Emergency legislation of this character has been enacted by Idaho, Iowa, Kansas, Michigan, Minnesota, Montana, New Hampshire, North Dakota, South Dakota, Vermont, and Wisconsin.

Legislation of the various States with respect to deficiency judgments varies widely with respect to the protection given to debtors. A deficiency judgment is a cash judgment for the amount of the mortgage debt less the net sum realized from the foreclosure sale. In certain States the courts may not issue deficiency judgments during the period covered by the law. In other States the amount of the deficiency judgment may not exceed the difference between the mortgage debt, plus the cost of foreclosure, and the true value of the property as established by the court. The apparent intent of the latter type of law is to insure that the distressed property shall be made to satisfy all debts secured by it.

The following States enacted deficiency judgment laws of one sort or another during the period covered by this survey: Alabama, Arizona, California, Idaho, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, New York, North Carolina, North Dakota, South Carolina, South Dakota, and Washington.

NO NEW LAW IN 19 STATES

In 19 of the 48 States either no special debtor-relief legislation was enacted or that which was enacted was held invalid by the courts. In several of the States which did not enact emergency legislation of this character the existing laws with respect to redemption of foreclosed properties were very liberal, as for example in Connecticut, Georgia, Indiana, Massachusetts, Tennessee, and Virginia.

In Texas, on the other hand, all emergency moratorium legislation was held invalid by the courts.

In certain States, moreover, the modification of the foreclosure laws in favor of debtors was much less extensive than in other States. Accordingly, it should not be inferred that the enactment of, or failure to enact, debtor-relief laws in the several States measures the relative severity of mortgage difficulties. On the contrary, the enactment of certain types of debtor-relief legislation merely brought particular States into line with others which had previously enacted laws favorable to debtors.

In one sense the moratorium features of the debtor-relief laws give to individual debtors a period in which to readjust their affairs comparable with the period of receivership enjoyed by corporations. For those debtors who are hopelessly involved the moratorium period

affords no solution, and the sale of their property to satisfy creditors is merely postponed. On the other hand, where the debtor's troubles are temporary and can be remedied in time, the existence of a debt-moratorium law prevents unjustified losses to debtors.

DONALD C. HORTON.

WHEAT IS GOOD PROPERTY THIS WINTER

Wheat prices the last 2 months have reflected the fact that the world this winter has the smallest supply of wheat in 10 years and certain European countries are said to have decided that they will set up substantial reserves of wheat. In mid-December wheat went above \$1.35 a bushel, the highest price in 7 years. The price eased off some in January but was still comparatively high.

SMALLEST WORLD SUPPLY IN 10 YEARS

The latest estimate of world wheat production for 1936 places it at 3,470,000,000 bushels. On the basis of the estimated current crop, plus stocks carried over, total world supplies for the current marketing year are figured roughly at 4,226,000,000 bushels. Russia and China are excluded from these world figures.

Not since 1926 has the world had as small a supply of wheat as this. In the interval it has been worried over burdensome surpluses, and, in turn, has seen these wiped out by a succession of poor seasons. Stocks are again back at the point where consuming nations are willing to bid for their breadstuffs.

UNITED STATES SHORT OF SPRING WHEAT

In the United States we had a winter-wheat crop in 1936 about 55 million bushels larger than the year before, but spring wheat was almost a failure over a large part of the belt because of drought. Our situation is that whereas we have been exporting some wheat from the Pacific Northwest, we have been at the same time buying Canadian hard spring wheat for our high-grade bread flour.

SMALL STOCKS ON FARMS

The stock of wheat left on farms at the beginning of the year was estimated at 129 million bushels, the smallest in the 11 years of record.

The total of farm and commercial stocks on January 1, 1937, was 191 million bushels, compared with 240 million bushels a year previous and 418 million bushels the average of the 5 years 1928-32.

MORE WHEAT NEXT SUMMER?

Those who look ahead to next summer remind us that the reduction in world wheat supplies has come about because of two or three poor seasons, rather than by a reduction in acreage. In the United States a record large acreage of winter wheat has been sown. On the basis of its condition on December 1, a crop of about 600 million bushels was forecast for next summer.

Moisture is very short in the spring wheat area and the crop there will be dependent upon rains next spring and summer.

TOBACCO SITUATION IMPROVED

The supply of many types of tobacco was reduced this fall under last, and this fact, together with the increased consumption, put tobacco prices generally above those of a year ago. Most types on the market during December sold for prices averaging higher than those in December 1935, some of them being substantially higher.

The 1936 flue-cured tobacco crop has virtually all been sold during each month of the season at prices above the corresponding month of the previous season. The 1936 season's average for flue-cured will be about 22 cents, compared with 20 cents in 1935.

Burley prices during the first 2 weeks of the marketing season averaged about 40 cents, approaching a record high for the season.

The production of burley this year is smaller than in any year since 1927. The demand for all grades of burley is good, while prices for most cigarette grades are at new highs. The high prices this season apparently are due to strong competition among buyers for the limited supply.

HEAVY CONSUMPTION OF CIGARETTES

Slightly more chewing and smoking tobacco is being consumed, but the real increase in this country has been in the use of cigarettes. Consumption during the first 11 months of 1936 was 12 percent above that of the like period of 1935. For the entire year 1936, consumption of cigarettes probably will exceed 150 billion, and if incomes continue to improve a further increase is likely in cigarette consumption this year.

We are selling a large quantity of flue-cured tobacco abroad. Exports during the 5 months, July-November, amounted roughly to 174 million pounds, the bulk of which went to Great Britain. This compares with 181 million pounds exported in the like period of 1935. We sold more tobacco to China last year than in 1935.

COTTON

Cotton mills in the United States are very busy and are using a large amount of cotton. This fact and the relatively small supply of cotton now in private hands continue as important strengthening factors in the market.

Cotton consumption in American mills amounted to 693,000 bales in December, compared with 500,000 bales in December 1935, and was the largest consumption for any December on record. Consumption in the 5 months, August-December, totaled 3,170,000 bales, an increase of 31 percent over the like period of the previous year and a record high for the period.

The Commodity Credit Corporation has announced that part of the existing stock of Government-financed cotton will be released between February 1 and April 1.

POTATO POSITION STRONG

Although the potato market showed hesitation in January, after liberal shipments and unfavorable weather conditions, the general situation continued strong. Prices of \$2 to \$2.50 per 100 pounds for

sacked stock of the old crop at country shipping points were about double those of late January last year.

The January stock on hand was 27½ million bushels less than it was a year ago. Even if there is an average yield on the 18 percent larger competing acreage in the South, the early supplies would be increased only about 4 million bushels, compared with last season, leaving the total supply about 23 million bushels short.

Southern acreage and yield might be somewhat larger than expected and still leave a great shortage in the total supply. If anything serious should happen to the southern crop, the available supply would be still smaller and the market situation increasingly strong.

Unfavorable weather in January may have reduced the market holdings still further. The quantity available for rail shipment may be several thousand carloads less than last year, or as compared with the 5-year average.

Further market gains are not unlikely before the rush of the new crop in the late spring months, but further rise would be limited somewhat by the expected liberal supplies of early southern vegetables from the season's larger plantings.

SOUTHERN CABBAGE ABUNDANT

The winter cabbage market has been depressed by liberal supplies of southern cabbage which have resulted in heavy shipments by rail and motor truck. Rail shipments have exceeded those of last season by 1,000 cars, just about offsetting the northern shortage.

Northern cabbage prices in producing sections were down near the late January level of a year earlier, with sales near \$15 per ton in eastern producing sections. With the active season nearing its end, the shipments were about 1,000 cars less than those of last season, owing mainly to shortage in Wisconsin. January holdings were nearly all in New York and Wisconsin, and were unusually light, only 49,520 tons as compared with 78,000 last year. Shipments in both seasons were light compared with the heavy output of 2 years ago.

Southern cabbage has been selling about 10 percent lower than last season. Texas growers were getting only \$6 per ton bulk in January. Much Texas cabbage may be used for kraut-making. Texas again has a big crop, over 200,000 tons, and shipments will continue active in February.

Florida shipments also will be heavy this month. The Florida production is about one-fourth as large as the Texas crop.

There is a good crop in Louisiana at last reports. The early southern cabbage crop in Texas, Florida, Louisiana, and California is estimated to be 7 percent larger than last year and 55 percent above the 5-year average.

ONION SUPPLY AMPLE

The onion position has shown little change. Prices have persisted at a level about half that of last season. Because of the unusually large main crop, the carlot output has been 20 percent greater than

last season to the same date, but the January stocks on hand were still 7 percent larger than last season.

It is plain that the supply remaining for shipment is ample and limited only by the profitable demand, unless shrinkage during a mild winter is greater than expected in the East and Middle West. Otherwise the prospect of a spring rise seems to hinge mainly on the progress of the early southern crop, with an acreage fully one-third less than last season but still exceeding the 5-year average.

STEADY APPLE MARKET

The market action of apples has shown little change. With the eastern and midwestern apple shipping movement probably about three-fourths completed, the carlot total from these regions has fallen more than 6,000 cars below last season to date.

Half of the 16 States seem to have finished shipping. Most of these show very light totals. Five of those still active—Delaware, Maryland, Michigan, Pennsylvania, and West Virginia—have shipped as many or more carloads than last season.

Virginia has fallen short of last season's output by more than one-half, and the New York apple movement has been a little lighter this season.

The five western apple States have shipped nearly 3,000 cars more than last season, although Idaho fell short by nearly one-half.

With the combined apple shipments probably two-thirds completed, the figures at the end of the season apparently will be fully 3,000 below last season or about 63,000 carloads.

FEED MARKETS STRONG

The strength in livestock prices, together with rather severe weather conditions through the West, seems to have led to a fairly ample rate of feeding, in spite of the small supplies of feed grains. The result has been a strong market for feed stuffs.

The supply of feed grains (corn, oats, barley, and grain sorghums) last fall was placed at roughly 64 million tons. A year ago this supply was estimated at about 92 million tons. The 5-year average, 1928-32, supply totaled around 101 million tons.

With the exception of the other bad drought year, 1934, the supply of feed grains last fall was the smallest in 42 years. The supply per animal for this winter probably is slightly larger than in the 1934-35 feeding season, as there has been considerable liquidation of cattle and hogs since then.

CORN MORE THAN HALF USED UP

On the average, about 45 percent of the supply of corn is used up in the fall months, October-December. This fall, however, about 52 percent of the scanty supply of corn disappeared in those 3 months. Thus, on January 1, 1937, there were 810 million bushels of corn on farms, as compared with 1,400,000,000 a year previous, and 1,384,000,000 bushels as the 5-year average, 1928-32. Stocks of corn on farms at the beginning of the year were the smallest for that date in the 11 years for which records are available.

FEWER CATTLE ON FEED

The number of cattle on feed in the 11 Corn Belt States at the beginning of January was 23 percent smaller than a year ago. In the far West, however, the number on feed is slightly larger (about 10 percent) this year.

The decrease in cattle feeding this year is nearly all in the western Corn Belt. As a result of the droughts of 1934 and 1936 there has been a material shift in feeding, with somewhat more cattle now in the eastern Corn Belt, while in the western belt the number has been reduced by more than half since the beginning of 1934.

SLIGHTLY FEWER LAMBS ON FEED

The number of sheep and lambs on feed for market at the beginning of January was about 4 percent smaller than a year ago.

The decrease this year is almost all in the western Corn Belt. The number of lambs in that area is the smallest since 1928.

The Western States show slightly more lambs this year, 2,744,000 head compared with 2,389,000 head a year ago. The increases in the Western States are mostly in areas that market most of their fed lambs in January and February. In the important late marketing areas of northern Colorado, the Arkansas Valley, and Scottsbluff, there are about 23 percent fewer lambs on feed this year than last, the smallest number since 1927.

In view of the probable further improvement in demand for dressed lambs, the high level of wool prices, and prospective reduction in slaughter supplies during the next 3 months, lamb prices are expected to advance further during the remainder of the marketing season. Much of this advance is likely to occur in March and perhaps in April.

MORE HOGS SLAUGHTERED THIS WINTER

The estimate of probable slaughter of hogs during the 1936-37 marketing season has had to be revised upward slightly in the light of the December pig survey. When the Bureau made its estimate in November, it was expected that the fall pig crop this year would have been reduced much as was the case following the drought of 1934, since the drought cut feed grain production almost as severely last summer as in 1934.

The pig survey made in December, however, disclosed that the 1936 fall pig crop was 6 percent larger than that of 1935. This made the combined spring and fall crop about 20 percent larger.

It is now estimated that the inspected slaughter of hogs during the present marketing season will be from 12 to 16 percent greater than in 1935-36. Of course, the extent of this increase will depend partly upon the prospect for corn production this next summer and partly upon the proportion of hogs going into inspected slaughter from areas outside of the Corn Belt.

MUCH OF THE INCREASE ALREADY SLAUGHTERED

The slaughter of hogs was very large in the first 3 months of the present marketing season, October-December, because of the shortage and high prices of corn. Some 5 million head more hogs were slaughtered during that period than in the same 3 months of 1935.

It is probable that a larger than usual proportion of the spring pig crop was marketed in those months, as has occurred in other drought years; consequently, it is expected that slaughter supplies of hogs during the first 3 months of 1937 will be reduced considerably from the December figures. Total slaughter supplies for the entire 9 months remaining of the marketing year, January through September 1937, probably will be somewhat smaller than those of a year earlier, with most of the reduction occurring in February and March and in late summer.

The heavy run of hogs this fall was reflected in the January 1 storage report, which showed considerably larger supplies of hog products in storage than a year ago.

Although slaughter supplies of hogs this coming summer will be larger than was expected earlier, they probably will be somewhat smaller than those of last summer when considerable drought liquidation occurred. In view of active consumer demand, it is expected that hog prices next summer will average higher than in the summer of 1936.

MILK PRODUCTION FAIRLY HEAVY

The number of milk cows on farms this winter apparently is about 2 or 3 percent less than a year ago.

Milk production, however, has held up surprisingly well, considering the shortage and high price of feed grains. The mild fall weather throughout the eastern part of the country and the fact that farmers are milking a rather higher percentage than usual of the cows in their herds probably account largely for the sustained output of milk.

The prices of butterfat have been unusually low in relation to feed. In mid-December the farm price of butterfat averaged 33.6 cents a pound. This would buy only 20 pounds of feed grains, whereas a year earlier a pound of butter would have exchanged for 36 pounds of feed.

The output of the principal manufactured dairy products during the fall months was larger than in the fall of 1935. The movement of these products into consuming channels, on the other hand, has been rather slower.

The effect has been to pile up larger stocks in storage. The storage holdings of butter on January 1 amounted to 61 million pounds, compared with 40 million pounds a year earlier and an average for that date of somewhat more than 48 million pounds. Storage holdings of American cheese also were large.

HEAVY EGG PRODUCTION—HIGH FEED

Hens have been laying unexpectedly well during the last month or so. At the beginning of January they were laying about 15 percent more eggs per hen than a year ago and fully 10 percent more than the

previous high record for that date (1932). Total production of eggs in the country was about 20 percent greater than a year ago.

The large proportion of pullets in the flocks this winter, coupled with mild weather through much of the fall, probably explains the heavy rate of laying.

Egg prices have been discouraging in relation to feed prices. The market for poultry has been even more so. Large numbers of chickens and turkeys sent to the fall and winter market had to compete with a heavy supply of pork and beef slaughtered during that same period.

The result has been an accumulation of large storage stocks of both meat and poultry. The January report of cold storage stocks showed poultry holdings at a record high for that date. Stocks of eggs in cold storage, however, were comparatively small.

AAA surplus relief purchases of eggs have begun to steady the market and to reduce the abnormally wide spread between farm prices and retail prices

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and States.

Product	5-year average, August 1909- July 1914	January average, 1910-14	January 1936	Decem- ber 1936	January 1937	Parity price January 1937
Cotton, pound.....cents..	12.4	12.2	11.1	12.3	12.4	16.4
Corn, bushel.....do.....	64.2	58.9	53.5	95.6	100.6	84.7
Wheat, bushel.....do.....	88.4	88.4	92.0	114.5	123.6	116.7
Hay, ton.....dollars.....	11.87	11.87	7.30	11.08	11.51	15.67
Potatoes, bushel.....cents..	69.7	64.2	65.4	106.3	122.2	91.0
Oats, bushel.....do.....	39.9	39.0	25.9	48.4	52.7	52.7
Beef cattle, hundredweight.....dollars..	5.21	5.04	6.22	6.17	6.54	6.88
Hogs, hundredweight.....do.....	7.22	7.03	8.91	9.09	9.40	9.53
Chickens, pound.....cents.....	11.4	10.8	16.5	12.6	13.4	15.0
Eggs, dozen.....do.....	21.5	28.0	22.8	30.5	23.1	¹ 29.0
Butter, pound.....do.....	25.5	27.8	29.7	31.2	31.1	¹ 35.3
Butterfat, pound.....do.....	26.3	29.2	33.5	33.6	34.3	¹ 36.6
Wool, pound.....do.....	17.6	18.5	24.1	30.1	31.3	23.2
Veal calves, hundredweight.....dollars..	6.75	6.78	8.15	7.83	8.62	8.91
Lambs, hundredweight.....do.....	5.87	5.79	8.25	7.26	7.92	7.75
Horses, each.....do.....	136.60	133.70	92.70	93.20	96.30	180.30

¹ Adjusted for seasonality.

MEASURES OF DOMESTIC DEMAND

[1924-29=100]

	December				Percent change		
	1929	1933	1935	1936	1935-36	1933-36	1929-36
National income (excluding farm income):							
Total.....	107.2	68.2	79.9	96.9	+21	+42	-10
Per capita.....	101.4	63.3	73.4	88.5	+21	+40	-13
Factory pay rolls:							
Total.....	98.1	54.2	75.5	92.3	+22	+70	-6
Per employed wage earner.....	97.4	69.2	85.1	94.1	+11	+36	-3
Industrial production:							
Total.....	96.1	70.0	94.2	112.9	+20	+61	+17
Factories processing farm products.....	98.1	86.1	103.8	123.8	+19	+44	+26
Other factory production.....	93.3	61.5	90.1	108.5	+20	+76	+16
Construction activity:							
Contracts awarded, total.....	84.3	50.4	55.4	50.4	-9	0	-40
Contracts awarded, residential.....	54.6	12.5	23.3	35.8	+54	+186	-34
Employment in production of building materials.....	88.1	40.9	48.5	60.5	+25	+48	-31
Cost of living:							
Food.....	101.6	66.7	78.9	79.7	+1	+19	-22
"All other items".....	97.8	81.6	82.0	82.6	+1	+1	-16
Purchasing power of national income (excluding farm income) per capita:							
For food.....	99.8	94.9	93.0	111.0	+19	+17	+11
For "All other items".....	103.7	77.6	89.5	107.1	+20	+38	+3

NOTE.—All indexes adjusted for seasonal variation except "Cost of living."

National income from nonagricultural sources was 21 percent higher in December 1936 than a year earlier and was 8 percent above the preceding month. Unusually heavy year-end dividend payments by corporations, partly to escape the tax on undistributed earnings, accounted for most of the month-to-month gain and for about one-third of the year-to-year improvement. Income for the entire year, however (affected only to a minor extent by the unusual dividend outflow), shows significant economic improvement. Income arising at sources other than agricultural increased more than 12 percent in 1936. Allowing for increases of approximately 1 percent each in non-farm population and in living costs, 1936 per-capita purchasing power was up 10 percent. In terms of food prices, the average 1936 gain in per-capita buying power of nonagricultural national income amounted to 8.8 percent and in terms of other items of the family budget, to 10.6 percent.

The predepression balance as between factory production of durable and nondurable goods, also as between the contribution to national income of agricultural and nonagricultural groups, has now been restored. The ratio of production of durable to nondurable goods (1923-25 average ratio=100) fell to 29 in August 1932, but had recovered to an average of 96 for the final quarter of 1936. Similarly, agriculture's contribution to total national income, which fell from an average of 10 percent during the 1926-29 period to 6 percent in 1932, had recovered to 10 percent in 1935 and 1936.

It is estimated that a further increase of more than 25 percent in industrial production, during the next 2 or 3 years, is necessary if unemployment is to be reduced to predepression significance. The real problem from now on, if farmers are to enjoy stable, but increasing improvement in domestic demand, is how to obtain this further expansion in industrial activity without developing unstable situations among the basic nonagricultural industries.

P. H. BOLLINGER,
Agricultural Adjustment Administration.

CASH INCOME FROM THE SALE OF FARM PRODUCTS AND GOVERNMENT PAYMENTS TO FARMERS

CASH INCOME FROM SALE OF FARM PRODUCTS ¹

	Grains	Cotton and cotton-seed	Fruits and vegetables	All crops	Meat animals	Dairy products	Poultry and eggs	All live-stock and products	Total crops and live-stock
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935									
October.....	83	172	106	474	176	98	47	328	802
November.....	56	138	70	338	161	94	71	331	669
December.....	42	89	66	262	172	103	70	351	613
1936									
January.....	41	53	54	201	191	112	41	349	550
February.....	31	32	68	161	145	103	36	288	449
March.....	46	23	80	179	154	115	52	326	505
April.....	37	14	85	159	159	113	56	334	493
May.....	42	19	104	191	148	126	64	350	541
June.....	55	16	108	206	165	130	59	381	587
July.....	163	12	108	327	171	130	49	383	710
August.....	117	27	78	284	168	125	46	351	635
September.....	71	159	86	406	174	120	43	346	752
October.....	70	220	103	510	198	121	44	372	882
November.....	67	146	80	367	201	109	62	382	749
December.....	68	99	68	321	222	113	65	404	725

¹ Figures from October 1935 to date revised.

GOVERNMENT PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES OF INCOME

	Cotton	Tobacco	Wheat	Sugar and rice	Cotton price adjustment	Corn-hog	Agri. conservation program	Total
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935								
October.....	18	2	19	5	-----	18	-----	62
November.....	13	2	28	10	-----	9	-----	¹ 64
December.....	31	1	5	9	-----	3	-----	¹ 50
1936								
January.....	1	-----	-----	-----	-----	-----	-----	1
February.....	-----	-----	-----	-----	-----	-----	-----	-----
March.....	8	-----	5	2	-----	-----	-----	15
April.....	3	-----	14	2	5	13	-----	37
May.....	1	1	16	1	9	31	-----	59
June.....	1	2	11	-----	13	30	-----	57
July.....	1	2	4	-----	8	9	-----	24
August.....	-----	1	3	-----	3	4	-----	11
September.....	-----	2	2	-----	1	1	-----	6
October.....	-----	-----	16	1	-----	2	3	22
November.....	-----	-----	12	1	-----	-----	6	19
December.....	-----	-----	11	2	-----	-----	23	36

¹ Includes \$1,000,000 to peanut growers in November and December.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in ³ —			Farm wages	Taxes ⁴
			Living	Production	Living-production		
1920.....	225	222	222	174	201	239	209
1921.....	142	203	161	141	152	150	223
1922.....	141	197	156	139	149	145	224
1923.....	147	214	160	141	152	169	228
1924.....	143	218	159	143	152	169	228
1925.....	151	223	164	117	157	171	232
1926.....	146	229	162	146	155	171	232
1927.....	139	231	159	145	153	170	238
1928.....	141	232	150	148	155	169	239
1929.....	139	236	158	147	153	170	241
1930.....	126	226	148	140	145	152	238
1931.....	107	207	126	122	124	116	218
1932.....	95	178	108	107	107	86	189
1933.....	95	171	109	108	109	80	162
1934.....	109	182	122	125	123	90	154
1935.....	117	191	124	125	125	98	-----
1936.....	118	199	122	126	124	107	-----
1936.....	-----	-----	-----	-----	-----	-----	-----
January.....	118	195	-----	-----	122	94	-----
February.....	118	195	-----	-----	122	-----	-----
March.....	116	198	122	119	121	-----	-----
April.....	116	195	-----	-----	121	101	-----
May.....	115	195	-----	-----	121	-----	-----
June.....	116	196	121	120	120	-----	-----
July.....	118	198	-----	-----	123	108	-----
August.....	119	202	-----	-----	126	-----	-----
September.....	119	198	123	132	127	-----	-----
October.....	119	202	-----	-----	127	110	-----
November.....	120	201	-----	-----	127	-----	-----
December.....	123	211	124	133	128	-----	-----

¹ Bureau of Labor Statistics Index with 1926=100, divided by its 1910-14 average of 68.5.² Average weekly earnings, New York State factories. June 1914=100.³ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of farm real estate taxes, per acre, 1913=100.

GENERAL TREND OF PRICES RECEIVED AND PAID

Year and month	Index numbers of farm prices [August 1909-July 1914=100]							Prices paid by farmers for commodities ¹	Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups	
1920.....	232	248	191	-----	174	198	223	201	105
1921.....	112	161	157	-----	109	156	162	125	82
1922.....	106	156	174	-----	114	143	141	132	89
1923.....	113	216	137	-----	107	159	146	142	93
1924.....	129	212	125	150	110	149	149	143	152
1925.....	157	177	172	153	140	153	163	156	157
1926.....	131	122	138	143	147	152	159	145	155
1927.....	128	128	144	121	140	155	144	139	153
1928.....	130	152	176	159	151	158	153	149	155
1929.....	120	144	141	149	156	157	162	146	153
1930.....	100	102	162	140	133	137	129	126	145
1931.....	63	63	98	117	92	108	100	87	124
1932.....	44	47	82	102	63	83	82	65	107
1933.....	62	64	74	105	60	82	75	70	109
1934.....	93	99	100	104	68	95	89	90	123
1935.....	103	101	91	127	118	108	117	108	125
1936.....	108	100	100	113	121	119	115	114	-----
1936.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
January.....	92	95	89	118	122	120	117	109	122
February.....	92	94	92	117	125	123	121	109	122
March.....	92	93	94	77	122	118	99	104	121
April.....	89	96	89	107	125	114	97	105	121
May.....	88	96	103	105	118	166	101	103	121
June.....	87	96	115	99	120	106	103	107	120
July.....	109	105	117	115	119	116	105	115	123
August.....	129	103	108	134	123	125	112	124	126
September.....	130	106	105	153	123	128	119	124	127
October.....	128	104	104	131	120	125	127	121	127
November.....	127	103	97	104	118	126	141	120	127
December.....	134	105	93	99	122	127	133	126	127
1937.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
January.....	143	107	105	115	128	128	110	131	128

¹ 1910-14=100.² Preliminary.

THE TREND OF EXPORT MOVEMENT

Year and month (ended Dec. 31)	Wheat including flour ¹	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard ³	Apples (fresh)	Cotton, running bales ⁴
	1,000 bushels	1,000 pounds	1,000 pounds	1,000 pounds	1,000 bushels	1,000 bales
Total:						
1920-----	311, 601	467, 662	821, 922	612, 250	5, 393	6, 111
1921-----	359, 021	515, 353	647, 680	868, 942	5, 809	6, 385
1922-----	235, 307	430, 908	631, 452	766, 950	4, 945	6, 015
1923-----	175, 190	474, 500	828, 890	1, 035, 382	8, 876	5, 224
1924-----	241, 454	546, 555	637, 980	944, 095	12, 361	6, 653
1925-----	138, 784	468, 471	467, 459	688, 829	10, 043	8, 362
1926-----	193, 971	478, 773	351, 591	698, 961	16, 170	8, 916
1927-----	228, 576	506, 252	237, 720	681, 303	15, 534	9, 199
1928-----	151, 976	575, 408	248, 278	759, 722	13, 635	8, 546
1929-----	154, 348	555, 347	275, 118	829, 328	16, 856	7, 418
1930-----	149, 154	560, 958	216, 953	642, 486	15, 850	6, 474
1931-----	125, 686	503, 531	123, 246	568, 708	17, 785	6, 849
1932-----	82, 118	387, 766	84, 175	546, 202	16, 919	8, 916
1933-----	26, 611	420, 418	100, 169	579, 132	11, 029	8, 533
1934-----	36, 538	418, 983	83, 725	431, 237	10, 070	5, 753
1935-----	15, 731	381, 182	61, 691	96, 355	11, 706	5, 861
December:						
1926-----	15, 301	50, 379	23, 503	62, 680	2, 479	1, 504
1927-----	12, 197	47, 661	19, 839	62, 855	1, 351	745
1928-----	12, 053	67, 587	18, 886	86, 358	1, 993	1, 058
1929-----	12, 428	65, 660	17, 404	80, 053	1, 566	910
1930-----	6, 906	58, 435	10, 466	45, 114	3, 384	766
1931-----	12, 100	54, 413	6, 206	65, 598	1, 522	1, 183
1932-----	3, 549	28, 910	6, 347	49, 919	1, 144	1, 040
1933-----	5, 975	60, 783	6, 561	54, 838	1, 895	820
1934-----	1, 511	25, 652	4, 283	16, 170	998	505
1935:						
July-----	1, 232	14, 581	6, 580	4, 915	99	280
August-----	1, 278	22, 382	5, 210	3, 406	544	241
September-----	1, 324	52, 371	3, 531	1, 515	1, 349	487
October-----	1, 485	60, 068	3, 355	2, 731	2, 190	712
November-----	1, 320	64, 117	4, 961	7, 932	1, 854	1, 135
December-----	1, 132	38, 753	3, 923	7, 853	1, 496	886
1936: Prel.						
January-----	1, 202	40, 298	3, 395	10, 117	1, 248	543
February-----	1, 192	34, 594	2, 369	7, 514	1, 206	406
March-----	1, 424	29, 832	3, 017	11, 461	1, 082	405
April-----	1, 423	23, 784	3, 396	9, 489	750	353
May-----	1, 534	17, 106	5, 367	10, 837	291	352
June-----	1, 382	19, 653	5, 955	11, 090	130	297
July-----	1, 389	19, 984	7, 194	7, 481	179	156
August-----	1, 666	26, 441	4, 159	6, 045	178	182
September-----	2, 415	46, 336	2, 526	7, 857	482	569
October-----	2, 436	63, 052	2, 234	10, 454	1, 420	862
November-----	1, 285	46, 732	4, 311	9, 563	1, 078	690
December-----	1, 731	39, 058	2, 611	9, 384	853	594
Total-----	19, 079	406, 870	46, 534	111, 292	8, 897	5, 409

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.² Includes Cumberland and Wiltshire sides.³ Excludes neutral lard.⁴ Excludes linters.

Compiled from Foreign Commerce and Navigation of the United States and official records of Bureau of Foreign and Domestic Commerce.

THE TREND OF AGRICULTURAL IMPORTS ¹

Year and month (ended Dec. 31)	Cattle, live ²	Beef, canned, including corn- ed ^{3 4}	Butter	Wheat, grain ⁵	Corn, grain	Oats, grain	Barley, malt ¹
	1,000 head	1,000 pounds	1,000 pounds	1,000 bushels	1,000 bushels	1,000 bushels	1,000 pounds
Total:							
1920.....	379	3, 979	37, 454	97	7, 784	6, 728	0
1921.....	195	320	18, 558	3, 574	164	5, 565	0
1922.....	238	894	6, 957	10, 560	113	1, 299	60
1923.....	140	4, 496	23, 741	8, 930	203	317	397
1924.....	145	7, 026	19, 405	6, 895	4, 107	6, 964	765
1925.....	175	7, 969	7, 212	1, 308	1, 086	178	836
1926.....	221	21, 045	8, 029	451	1, 055	157	1, 028
1927.....	445	35, 999	8, 460	21	5, 458	85	810
1928.....	536	52, 738	4, 659	224	565	489	865
1929.....	505	79, 899	2, 773	36	407	112	1, 025
1930.....	234	56, 105	2, 472	317	1, 556	183	4, 309
1931.....	95	19, 586	1, 882	54	618	576	39, 875
1932.....	106	24, 639	1, 014	3	344	59	52, 533
1933.....	82	41, 344	1, 022	31	160	132	109, 183
1934.....	66	46, 674	1, 253	7, 737	2, 959	5, 580	193, 728
1935.....	378	76, 263	22, 675	27, 439	43, 242	10, 107	320, 623
December:							
1926.....	25	1, 852	2, 613	5	280	10	129
1927.....	47	1, 832	510	(⁶)	169	12	8
1928.....	42	5, 393	547	7	34	2	28
1929.....	26	3, 339	128	13	60	13	38
1930.....	16	301	97	227	114	12	1, 777
1931.....	5	1, 599	205	1	58	2	3, 556
1932.....	19	2, 056	101	1	31	(⁶)	1, 166
1933.....	15	2, 670	61	4	17	2	8, 415
1934.....	4	7, 269	249	1, 907	1, 172	2, 412	14, 926
1935:							
July.....	18	5, 220	177	793	5, 649	29	42, 041
August.....	16	5, 740	149	2, 570	8, 554	1	27, 136
September.....	14	7, 752	122	3, 644	2, 986	7	27, 566
October.....	32	5, 379	108	5, 324	4, 690	5	16, 933
November.....	40	6, 811	277	4, 348	1, 651	2	18, 916
December.....	27	6, 867	341	4, 321	2, 092	8	15, 703
1936: Prel.							
January.....	22	7, 642	860	2, 231	1, 869	0	15, 190
February.....	28	7, 218	2, 191	2, 398	583	6	15, 554
March.....	52	7, 978	577	2, 673	1, 186	5	18, 153
April.....	79	11, 897	661	1, 536	1, 052	11	21, 642
May.....	57	8, 654	224	1, 627	938	22	27, 300
June.....	47	7, 034	168	3, 028	34	2	24, 256
July.....	34	7, 503	308	4, 477	1, 301	1	31, 811
August.....	19	8, 938	1, 182	6, 294	1, 549	(⁶)	29, 018
September.....	23	6, 439	539	4, 604	4, 144	13	24, 922
October.....	21	8, 994	648	4, 216	8, 122	22	26, 200
November.....	15	3, 703	1, 361	3, 200	6, 263	47	28, 715
December.....	13	1, 764	1, 155	3, 385	4, 430	20	39, 006
Total.....	410	87, 764	9, 874	39, 669	31, 471	149	301, 767

¹ General imports prior to 1934; beginning Jan. 1, 1934, imports for consumption.² Official monthly figures exclude cattle imported free from the Virgin Islands, 1926-28.³ Imports for consumption.⁴ December figures include "Other canned meats" prior to 1929.⁵ For domestic consumption and includes only wheat full duty paid and 10 percent ad valorem.⁶ Less than 500.

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GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

Production, consumption, and movements	December 1935	November 1936	December 1936	Month's trend
Pig iron, daily (thousand tons)-----	68	98	100	Increase.
Bituminous coal (million tons)-----	35	¹ 42	¹ 44	Do.
Steel ingots (thousand long tons)-----	3, 073	4, 337	4, 432	Do.
Cotton, by mills (thousand bales)-----	500	627	693	Do.
Steel Corporation shipments of finished steel products (thousand tons).	662	883	1, 067	Do.
Building contracts in 37 Northeastern States (million dollars).	264	208	200	Decrease.
Hogs slaughtered (thousands)-----	2, 875	4, 292	4, 681	Increase.
Cattle and calves slaughtered (thousands).	1, 373	1, 465	1, 481	Do.
Sheep and lambs slaughtered (thousands).	1, 369	1, 544	1, 573	Do.
Bank debits (outside New York City) (billion dollars).	19	18	23	Do.
Carloadings (thousands)-----	¹ 2, 323	3, 013	2, 776	Decrease.
Mail-order sales (million dollars)-----	91	86	118	Increase.
Employees, New York State factories (thousands).	378	419	423	Do.
Average price 25 industrial stocks (dollars).	190. 86	238. 88	231. 11	Decrease.
Interest rate (4-6 months' paper, New York) (percent).	. 75	. 75	. 75	Unchanged.
Retail food price index (Department of Labor). ³	134	135	135	Do.
Wholesale price index (Department of Labor). ³	118	120	123	Increase.

¹ Revised.² Preliminary.³ 1910-14 basis.

Data in the above table, excepting livestock slaughter and price and export indexes, are from the Survey of Current Business, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

COLD-STORAGE SITUATION

(Dec. 1 holdings, shows nearest millions; i. e., 000,000 omitted)

Commodity	5-year average, 1931-35	Year ago	Month ago	December 1936
Apples-----bushels	¹ 26, 559	¹ 29, 058	¹ 26, 486	22, 171
Frozen and preserved fruits-----pounds	74	81	75	70
Frozen vegetables-----do	-----	-----	-----	¹ 8, 267
40-percent cream-----40-quart cans	¹ 112	¹ 96	¹ 176	¹ 144
Creamery butter-----pounds	49	40	89	61
American cheese-----do	75	87	99	95
Frozen eggs-----do	66	70	66	52
Shell eggs-----cases	¹ 795	¹ 964	¹ 1, 755	¹ 650
Total poultry-----pounds	118	107	149	187
Total beef-----do	84	106	153	194
Total pork-----do	540	327	463	665
Lard-----do	79	53	109	146
Lamb and mutton, frozen-----do	3	3	8	10
Total meats-----do	702	510	719	1, 001

¹ 3 ciphers omitted.

FEWER CATTLE IN WORLD

The present situation as to cattle supplies throughout the world has its significance for those interested in both the cattle and hides markets. It appears that whereas the number of cattle in the world had been increasing between 1930 and 1934, since the latter year world estimates show a smaller number.

The number of cattle in 68 countries was estimated at 524,000,000 in 1934, which was an increase of 4 percent above 1930. Since the peak in 1934 the trend has been downward.

In the United States, cattle numbers at the beginning of 1936 were 8 percent under the record year 1934. Europe, Canada, and New Zealand show like decreases. Australian figures are not yet very complete but indicate a very slight decrease in 1935. The number in Argentina and Uruguay apparently reached a peak in 1931 and 1932. Since then there has been some liquidation of breeding stock and of calves in both these countries.

GREATER SLAUGHTER LAST YEAR

The slaughter of cattle and calves in eight important beef-exporting countries amounted to approximately 19,000,000 head in 1935, an increase of 5 percent over 1934 and 15 percent over 1932. In both North and South America it appears that this increasing slaughter continued on into 1936.

Most of the beef entering world trade moves from countries of the Southern Hemisphere to the European market mainly as chilled and frozen beef. Many trade barriers are operating in Europe, however, to upset the former course of this trade. These include heavy import duties, exchange difficulties, quotas, and in England the restriction on imports of non-Empire frozen and chilled beef. These various hindrances are forcing such surplus producing countries as Argentina and Uruguay to divert a larger number of their cattle into the canned-meat trade for which new markets are having to be developed.